

Victor M. Felix (SBN: 179622); victor.felix@procopio.com
PROCOPIO, CORY, HARGREAVES
& SAVITCH LLP
525 B Street, Suite 2200
San Diego, CA 92101
T: (619) 515-3229; F: (619) 744-5409

Michael A. Albert; malbert@wolfgreenfield.com (*pro hac vice* to be filed)
Hunter Keeton; hkeeton@wolfgreenfield.com (*pro hac vice* to be filed)
WOLF, GREENFIELD & SACKS, P.C.
600 Atlantic Avenue
Boston, MA 02210
T: (617) 646-8000; F: (617) 646-8646

Attorneys for Defendant
ACACIA COMMUNICATIONS, INC.

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

VIASAT, INC., a Delaware corporation,

Plaintiff,

v.

ACACIA COMMUNICATIONS, INC., a
Delaware corporation, and DOES 1-50,
inclusive,

Defendants.

Case No. **'16CV0463 BEN JMA**

**NOTICE OF REMOVAL TO
FEDERAL COURT**

[28 U.S.C. §§ 1331, 1338, 1367,
1441, 1446, and 1454]

1 **TO THE CLERK OF THE ABOVE-ENTITLED COURT:**

2 PLEASE TAKE NOTICE that pursuant to 28 U.S.C. §§ 1331, 1338,
3 1367, 1441, 1446, and 1454, Defendant Acacia Communications, Inc.
4 (“Acacia”) hereby removes to this Federal Court the state court action described
5 below.

6 1. On or about January 21, 2016, Plaintiff ViaSat, Inc. (“ViaSat”)
7 commenced an action in the Superior Court of the State of California in and for
8 the County of San Diego, North County Division, entitled ViaSat, Inc. v. Acacia
9 Communications, Inc., et al., as case number 37-2016-00002323-CU-BC-NC.

10 A copy of the Complaint and its exhibit is attached as Exhibit 1. The Complaint
11 does not allege or aver the amount in controversy.

12 2. Acacia was first served with a copy of the Complaint on February
13 1, 2016, when an agent for ViaSat served Acacia’s agent with a copy of the
14 Complaint and a Summons from state court. A copy of the Summons is
15 attached as Exhibit 3, and a copy of the Proof of Service is attached as Exhibit
16 6.

17 **GROUND FOR REMOVAL**

18 3. Acacia hereby removes this action based on federal question
19 jurisdiction, pursuant to 28 U.S. Code §1338, which confers exclusive
20 jurisdiction over “any claim for relief arising under any Act of Congress relating
21 to patents.” 28 U.S.C. § 1338(a); see also 28 U.S.C. § 1331 (“The district courts
22 shall have original jurisdiction of all civil actions arising under the Constitution,
23 laws, or treaties of the United States.”). Pursuant to 28 U.S. Code § 1454, any
24 action in which “any party asserts a claim for relief arising under any Act of
25 Congress relating to patents... may be removed to the district court of the
26 United States for the district and division embracing the place where the action
27 is pending.” 28 U.S.C. § 1454(a); see also 28 U.S.C. § 1441 (defendants may
28 remove any action over which a district court has “original jurisdiction”).

1 4. ViaSat's Complaint asserts three state law counts, all relating to an
2 agreement between ViaSat and Acacia titled "IP CORE DEVELOPMENT AND
3 LICENSE AGREEMENT NO. TG11102009" (the "Agreement"). (Complaint
4 at ¶¶ 8-10, 19-33, and attached without the Agreement's exhibits as Exhibit A to
5 the Complaint.) That Agreement relates to certain hardware and software
6 technologies used in network communications. Among other things, the
7 Agreement covers aspects of Application Specific Integrated Circuit ("ASIC")
8 technology, Digital Signal Processing ("DSP") core technology, and Soft
9 Decision Forward Error Correction Decoder and Encoder ("SDFEC") core
10 technology. (*Id.* at ¶¶ 8-9.)

11 5. While the Complaint does not assert any patent-related counts on
12 its face, jurisdiction under 28 U.S.C. § 1338(a) exists where "the plaintiff's right
13 to relief necessarily depends on resolution of a substantial question of federal
14 patent law, in that patent law is a necessary element of one of the well-pleaded
15 claims." Christianson v. Colt Indus. Operating Corp., 486 U.S. 800, 809 (1988).
16 Further, "the absence of a federal private right of action" is "not dispositive of"
17 the question of federal question jurisdiction, and "an important issue of federal
18 law" that is an "essential element" of the plaintiff's claim can create jurisdiction
19 at the federal courts. Grable & Sons Metal Products, Inc. v. Darue Eng'g &
20 Mfg., 545 U.S. 308, 315-18 (2005). The Supreme Court articulated the question
21 as follows: "does a state-law claim necessarily raise a stated federal issue,
22 actually disputed and substantial, which a federal forum may entertain without
23 disturbing any congressionally approved balance of federal and state judicial
24 responsibilities." *Id.* at 314. See also Semiconductor Energy Lab. Co. v.
25 Nagata, 706 F.3d 1365, 1370 (Fed. Cir. 2013) ("Even where a plaintiff does not
26 state a federal cause of action, a federal court may still have subject matter
27 jurisdiction if the plaintiff's claims implicate a substantial issue of federal law.")

28 6. Jurisdiction exists here because ViaSat's claims necessarily raise

1 the federal issue of patent misappropriation, which is actually disputed and
 2 substantial, and which this federal court may entertain without disturbing the
 3 federal-state balance of judicial responsibilities.

4 7. ViaSat's counts all rely on what the Agreement calls "Background
 5 Information," all of whose intellectual property rights (including patents) are
 6 ViaSat's property. (Complaint at ¶ 12, 14- 18.) The Agreement contrasts that
 7 category with "Foreground Information," which is owned by Acacia:
 8 (a) ACACIA shall own all right, title and interest in and to all
 9 Foreground Information, including all Intellectual Property Rights
 therein and thereto. VIASAT will promptly provide and fully
 disclose all Foreground Information to ACACIA.

10 (Agreement at ¶ 3(a).)
 11

12 8. The Agreement defines "Foreground Information" as
 13 all Intellectual Property Rights, design data and information (a)
 directly related to the Digital Signal Processing (DSP) Blocks for
 14 use in 100Gb Optical Systems **described in Exhibit C hereof...**
 that are first developed or first created by VIASAT or its personnel
 15 during the course of performing services for ACACIA under this
 Agreement, or (b) that are first developed or first created by
 16 VIASAT or its personnel in the performance of its services relating
 to Digital Signal Processing under this Agreement, and including
 17 all changes, additions, revisions, replacements, manuals and
 documentation thereto which VIASAT may provide under this
 18 Agreement. For the sake of clarity, and without limiting the
 foregoing, **the DSP Core and all Deliverables relating thereto**
 19 **shall be deemed Foreground Information.**

20 (Agreement at ¶ 1(j) (all emphasis is added in this paper, unless otherwise
 21 noted).)

22 9. Exhibit C to the Agreement further describes the "Demodulator /
 23 DSP... Core." (Agreement, Ex. C at § 1.1.) Section 3.3. of Exhibit C describes
 24 certain functional aspects of the Demodulator/DSP Core, and contains the
 25 following block diagram of this core:
 26
 27
 28

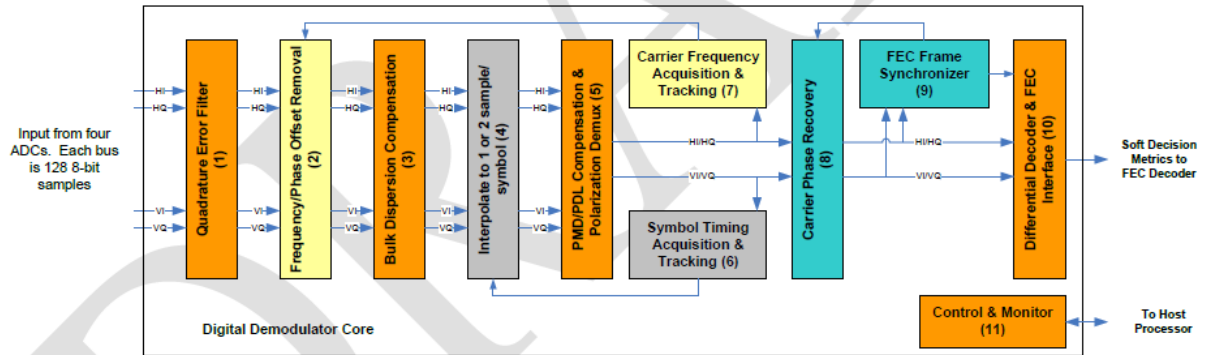


Figure 3: Demodulator Top Level Block Diagram

(Agreement, Ex. C at § 3.3.)

10. In January and August 2011, inventors employed by ViaSat filed two different provisional patent applications, United States Serial Nos. 61/435,278 (the “278 application”) and 61/521,263 (the “263 application”) (together, the “ViaSat Provisionals”). Copies of those two applications are attached as Exhibits 8 and 9.

11. The ViaSat Provisionals copy large portions of the DSP Core specification from Exhibit C of the Agreement. For example, Figure 1 in the ‘278 application and Figure 7 in the ‘263 application are almost identical to each other, and both are almost identical copies of Figure 3 from Exhibit C to the Agreement. A comparison of the Figures is below:

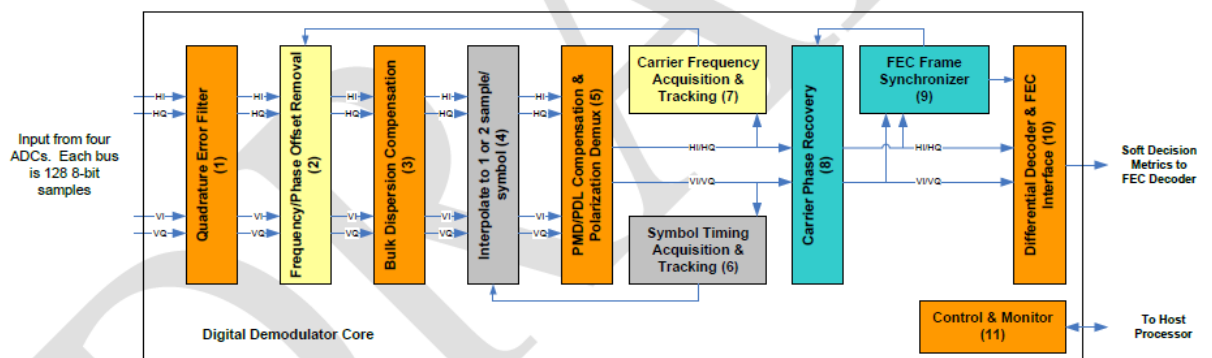


Figure 3: Demodulator Top Level Block Diagram

(Agreement, Ex. C at § 3.3.)

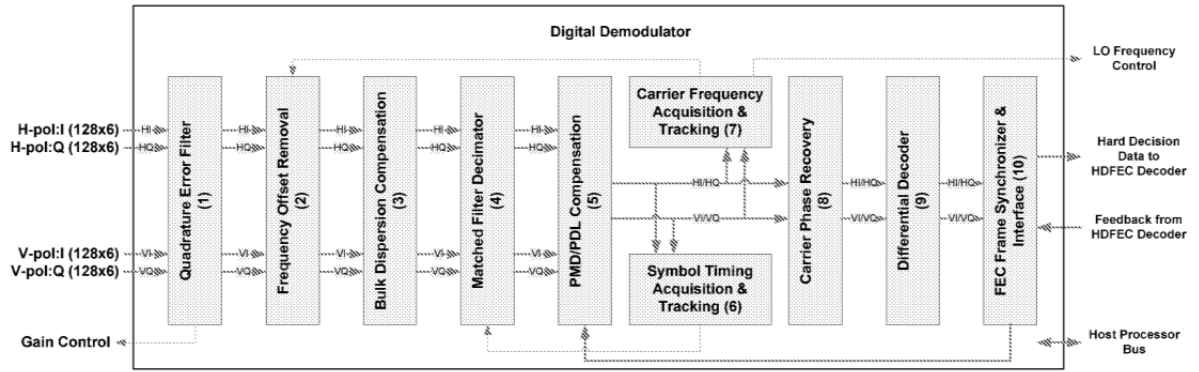


Figure 1: Demodulator Top Level Block Diagram
(‘278 application, Figure 1.)

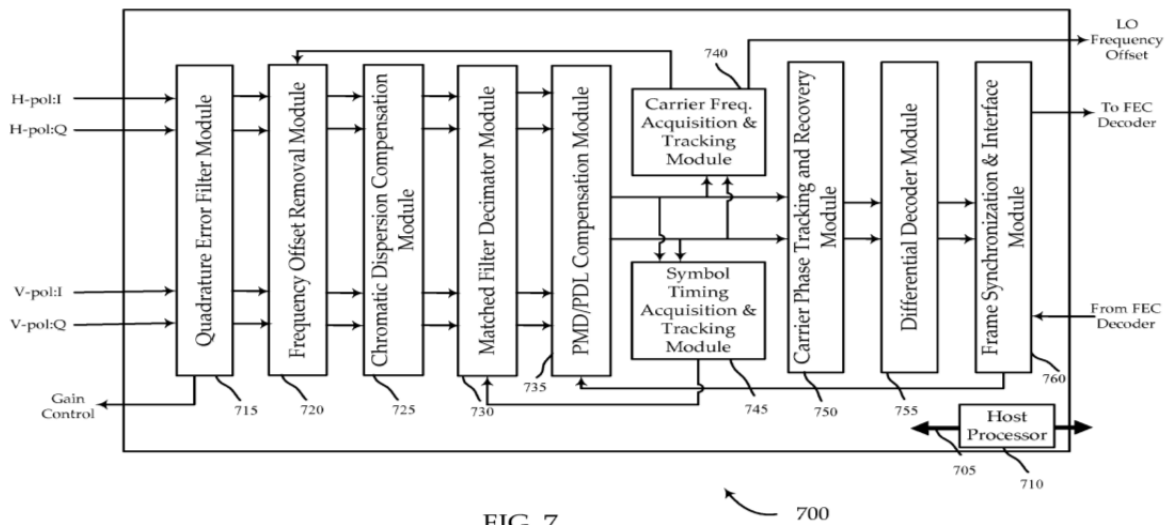


FIG. 7

(‘263 application, Figure 7.)

12. Other figures and text of the ViaSat Provisionals are copied from Exhibit C to the Agreement, often nearly verbatim. For example, compare Exhibit C of the Agreement at § 3.3 (“The demodulator has a control and monitor interface to the host processor allowing configuration of various demodulator parameters (filter coefficients, loop gains, etc.) and extraction of demodulator status.”) with the ‘278 application at 4 (“The Demodulator may have a control and monitor interface bus connected to a host processor allowing for configuration of demodulator parameters (filter coefficients, loop gains, etc.) and extraction of demodulator status.”); compare also Exhibit C of the Agreement at §§ 3.3.1-3.3.11 with the ‘278 application at 4-14 and the ‘263

1 application at 9-10 (containing virtually identical subsection headings,
2 organization, text, and figures).

3 13. ViaSat has filed numerous United States patent applications, Patent
4 Cooperation Treaty (“PCT”) applications, and foreign patent applications, and
5 obtained issued patents therefrom, that all claim priority in whole or in part to
6 the ViaSat Provisionals (all of which together comprise the “ViaSat Patent
7 Family”). The ViaSat Patent Family includes without limitation the ‘278
8 application; the ‘263 application; U.S. Patent Nos. 8,559,828, 8,639,126,
9 8,687,974, 8,682,180, 8,693,897, 8,705,664, 8,705,977, 8,744,279, 8,886,051,
10 8,891,980, and 9,100,125; U.S. Patent Application Serial No. 14/742,812; PCT
11 Application Nos. PCT/US12/22231 and PCT/US12/22234; and any other U.S.
12 or foreign patent applications, U.S. or foreign issued patents, and PCT
13 applications that claims priority in whole or in part to any of these.

14 14. In addition to the ViaSat Provisionals, all of the other patents and
15 applications in the ViaSat Patent Family contain the same copied materials from
16 Exhibit C to the Agreement.

17 15. Because Acacia owns and has rights to possess the Foreground
18 Information, and the ViaSat Patent Family contains Foreground Information,
19 Acacia has an equitable right in the ViaSat Patent Family. See Arachnid, Inc. v.
20 Merit Indus., Inc., 939 F.2d 1574, 1580 (Fed. Cir. 1991) (the holder of equitable
21 rights in a patent “may sue in equity for rescission of the transfer and if
22 successful may obtain full redress for infringement by way of injunction,
23 accounting, declaration of trust, or other forms of equitable relief.... [If] it is
24 apparent that plaintiff’s equitable interest arises under the patent laws, a District
25 Court has jurisdiction in equity under Section 1338”) (quotation omitted);
26 Taylor v. Taylor Made Plastics, Inc., 565 F. App’x 888, 889 (Fed. Cir. 2014)
27 (party may hold “an equitable interest in the patent.”). ViaSat wrongfully
28 acquired the ViaSat Patent Family, and thereby engaged in patent

1 misappropriation.

2 16. Resolving ViaSat's asserted claims requires determining whether
3 the accused functionality of Acacia's CFP Module utilizes Background
4 Information or Foreground Information, and thus also necessarily whether that
5 functionality is covered by the ViaSat Patent Family and whether ViaSat has
6 misappropriated Acacia's patent rights in the Foreground Information. That
7 issue is actually disputed and substantial. And this Court may entertain it
8 without disturbing the federal-state balance of judicial responsibilities; indeed, it
9 makes sense for federal courts to resolve patent disputes, which are their
10 exclusive jurisdiction. 28 U.S.C. § 1338(a). A prior court resolving patent
11 misappropriation issues determined that it had jurisdiction under Section 1338.
12 See, e.g., GAF Corp. v. Amchem Prods., Inc., 514 F. Supp. 943, 974-75 (E.D.
13 Pa. 1981).

14 17. In addition, this case may be removed without consideration of
15 ViaSat's claims at all, but only of Acacia's counterclaims, which will be filed
16 shortly. Acacia's patent misappropriation counterclaim arises under patent law,
17 and under 28 U.S.C. § 1454, a "civil action in which **any party asserts a**
18 **claim...** arising under any Act of Congress relating to patents... may be
19 removed" to federal court; indeed, under this section "the action **may be**
20 **removed by any party.**" 28 U.S.C. §§ 1454(a)-(b)(1). See also Leahy-Smith
21 America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011). This Court
22 may therefore exercise jurisdiction over this case based on Acacia's
23 counterclaims alone, even if ViaSat's claims do not arise under patent law
24 pursuant to 28 U.S.C. §§ 1338(a) or 1454. See Busch v. Jakov Dulcich & Sons
25 LLC, No. 15-384, 2015 WL 3792898, at *5 (N.D. Cal. June 17, 2015) ("Section
26 1454 serves as an exception to the general rule that federal question jurisdiction
27 exists only when the plaintiff's complaint includes a cause of action arising
28 under federal law.").

ADDITIONAL PROCEDURAL REQUIREMENTS

18. This Notice is timely because Acacia files and serves it within 30 days after the receipt of a copy of the initial pleading setting forth the claim for relief upon which the action or proceeding is based. 28 U.S.C. § 1446(a).

19. This action, filed in the Superior Court of the State of California, County of San Diego, is being removed to the district and division embracing the place where the action is pending. 28 U.S.C. §1441(a).

20. Pursuant to 28 U.S.C. §1446(a), copies of all the process, pleadings, and orders on file with the state court or served on Defendants in the state court are attached collectively as Exhibits 1-7.

21. A notice of filing of removal, with a copy of this Notice of Removal attached thereto, is being filed with the clerk of the Superior Court of the State of California, County of San Diego, Case Number 37-2016-00002323-CU-BC-NC, pursuant to 28 U.S.C. § 1446(d).

22. A notice of filing of removal, with a copy of this Notice of Removal attached thereto, is being served on plaintiff's attorney pursuant to 28 U.S.C. § 1446(d). A proof of such service will be filed with this Court.

23. Under 28 U.S.C. § 1446, "all defendants who have been properly joined and served must join in or consent" to removal. 28 U.S.C. § 1446(b)(2)(A). The only other defendants named in the state court action, however, are Does 1-50. These unknown defendants are not required to join in the Notice of Removal. See, e.g., Fristoe v. Reynolds Metals Co., 615 F.2d 1209, 1213 (9th Cir. 1980).

24. No previous application has been made for the relief requested herein.

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1 DATED: February 19, 2016

PROCOPIO, CORY, HARGREAVES &
SAVITCH LLP

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4 By: s/Victor M. Felix

Victor M. Felix

victor.felix@procopio.com

Procopio, Cory, Hargreaves
and Savitch LLP

525 B Street, Suite 2200

San Diego, CA 92101

Telephone: 619.238.1900

Facsimile: 619.235.0398

Attorneys for Defendant

ACACIA COMMUNICATIONS, INC.